

STATE OF TEXAS

KNOW BY ALL MEN THESE PRESENTS:

COUNTY OF TARRANT

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

### NO SURFACE USE OIL AND GAS LEASE

This NO SURFACE USE OIL AND GAS LEASE ("LEASE") is made as of the 5 day of June, 2008 (the "Effective Date") by and between Arthur James Lyke and wife, Karen Ann Lyke ("Lessor," whether one or more), whose address is 1401 Tippler Dr, Arlington, TX 76002, and XTO Energy Inc., a Delaware corporation ("Lessee,"), whose address is 810 Houston Street, Fort Worth, Texas 76102. Lessor and Lessee are sometimes collectively referred to in this Lease as the "Parties."

1. Leased Premises. Lessor, in consideration of a cash bonus in hand paid by Lessee within sixty (60) days, the royalties herein provided, and the covenants, agreements and obligations of Lessee herein contained and subject to the conditions and limitations hereinafter set forth, hereby leases and lets, exclusively unto Lessee, for the purpose of exploring, drilling for, producing, and marketing oil and gas, the land in Tarrant County, Texas, described in Exhibit A attached hereto and incorporated herein by reference (and referred to herein as "Said Land," the "Property," or the "Leased Premises"). The Leased Premises shall include all strips and gores, streets, easements, highways and alleyways adjacent thereto. Lessor agrees to execute at Lessee's request any additional or supplemental instruments reasonably necessary for a more complete or accurate description of the Leased Premises. For the purpose of determining the amount of any royalties (including shut in royalties) hereunder, the number of 0.200 gross acres specified in the legal description shall be deemed correct, whether actually more or less.

2. Term. Subject to the other provisions contained herein, this Lease shall be for a term of thirty-six (36) months from the date hereof (the "primary term"), and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the Leased Premises or from lands pooled therewith, or this Lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Option Clause. Notwithstanding anything to the contrary herein, Lessee is hereby granted the exclusive option, to be exercised prior to the date which this Lease or any portion thereof would expire in accordance with its terms and provisions, of extending this Lease for an additional period of two (2) year as to all or any portion of the acreage of the Leased Premises. The only action required by Lessee to exercise this option being payment to Lessor of an additional consideration of the sum equal to the original cash bonus paid per acre to Lessor as a bonus for signing the Lease, which payment shall cover the entire two (2) year extended period. Should this option be exercised as herein provided, it shall be considered for all purposes as though this Lease originally provided for a primary term of five (5) years. If this Lease is extended as to only a portion of the acreage then covered thereby, Lessee shall designate such portion by a recordable instrument.

4. Minerals Covered. For purpose of this Lease, "oil and gas" means oil, gas and other liquid and other gaseous hydrocarbons and their constituent elements produced through a well bore. "Oil" includes all condensate, distillate, and other liquid and gaseous hydrocarbons produced through a well bore. "Gas" includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. Expressly excluded from this are lignite, coal, sulfur and other like minerals. Lessee shall have no rights to water in, on, or under lands of Lessor.

5. Royalty. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) for oil and other liquid hydrocarbons separated as Lessee's separator facilities, the royalty shall be twenty-six and one-half percent (26.5%) of such production to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field, then in the nearest field in which there is such a prevailing price for production of similar grade and gravity; and (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be twenty-six and one-half percent (26.5%) of the proceeds realized by Lessee from the sale thereof computed at the point of sale (whether to an affiliate or not), provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder.

Royalties on oil, gas and other substances produced and saved hereunder which are processed in a processing plant in which Lessee, or an affiliate of Lessee, has a direct or indirect interest, shall be calculated based upon the highest of the proceeds received or the market value of the products so processed. Similarly, on oil, gas and other substance produced and saved hereunder which are sold to Lessee, or an affiliate of Lessee, royalties shall be paid based upon the higher of the market value of the products so sold and the proceeds received by Lessee for said products. Notwithstanding anything to the contrary herein, in no event shall any of Lessor's royalty bear any part of the costs of production or any post-production costs, including costs of lifting, gathering dehydration, compression, separation, delivery, transportation, manufacture, processing, treating or marketing, or for construction, operation or depreciation of any plant or other facility or equipment for processing or treating oil or gas produced from the leased premises or lands pooled therewith. In no event shall Lessor receive a price less than Lessee in sales to non-affiliates. It is in the intent of the parties that the provisions of this section are to be fully effective and enforceable and are not to be construed as "surplusage" under the principles set forth in Heritage Resources v. NationsBank, 939 S.W.2d 118 (Tex 1997).

As used herein, "affiliate" means (i) a corporation, joint venture, partnership or other entity that owns more than ten percent (10%) of the outstanding voting interest of Lessee or in which Lessee owns more than ten percent (10%) of the outstanding voting interest;

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or (ii) a corporation, joint venture, partnership or other entity in which, together with Lessee more than ten percent (10%) of the outstanding voting interest of both the Lessee and the other corporation, joint venture partnership or other entity is owned or controlled by the same person or group of persons.

Unless there is a reasonable title dispute or question as to title, Lessee must disburse or cause to be disbursed to Lessor its royalty on production from a particular well not later than one hundred twenty (120) days after the end of the month following first delivery of gas from the well into the pipeline. Thereafter, Lessee must disburse or cause to be disbursed to Lessor by the last day of each month its royalty on production for which Lessee received payment in the preceding month, but in no event shall royalty be paid more than sixty (60) days after the last day of the month of production. If not paid when due, Lessor's royalty shall bear interest at the maximum lawful rate from due date until paid, which amount Lessee agrees to pay. Acceptance by Lessor of royalties that are past due shall not act as a waiver or estoppel of its right to receive interest due thereon unless Lessor expressly so provides in writing signed by Lessor.

The receipt by Lessee, or Lessee's operator, from a purchaser or a pipeline company of proceeds of production for distribution to Lessor will not result in Lessee, or Lessee's operator, acquiring legal or equitable title to those proceeds, but Lessee, or Lessee's operator, will at all times hold the proceeds in trust for the benefit of Lessor. Notwithstanding the insolvency, bankruptcy, or other business failure of a purchaser of production from Said Land or pipeline company transporting production from Said Land, Lessee will remain liable for payment to Lessor for, and agrees to pay Lessor all royalties due Lessor together with interest if not timely paid. Lessor retains the right to terminate the Lease for failure to pay royalties, after a period of written notice, which describes in detail Lessee's breach of this provision, and an opportunity to cure which shall not exceed sixty (60) days.

Gas produced from Said Land or pooled unit that Said Land is included therewith shall not be commingled with gas produced from any other lands prior to the point where the gas produced from this Lease passes through the meter which will measure the gas for calculating the payment made by the purchaser of gas production.

6. Shut-in Royalty. If at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this Lease. A well that has been drilled but not fraced shall be deemed capable of producing in paying quantities. If for a period of sixty (60) consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay an annual shut-in royalty of twenty five dollars (\$25.00) per acre paid quarterly to Lessor then covered by this Lease on or before the end of said sixty (60) day period and thereafter on or before each anniversary of the end of said sixty (60) day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided, however, that if this Lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the Leased Premises or lands pooled therewith, no shut-in royalty shall be due until the end of the sixty (60) day period next following cessation of such operations or production. Notwithstanding anything to the contrary herein, it is expressly understood and agreed that after the expiration of the primary term, Lessee shall not have the right to continue this Lease in force by payment of shut-in royalty for more than one single period of up to two consecutive years.

7. Payments. All shut-in or other royalty payments under this Lease shall be paid or tendered to Lessor at the address described above, or at such address or to Lessor's credit at such depository institution as Lessor may provide written notice of from time to time. All payments or tenders may be made by check or electronic transfer.

8. Continuous Drilling Obligations. (a) If Lessee drills a well which is incapable of producing in paying quantities (a "dry hole") on the Leased Premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Section 9 or the action of any governmental authority, then in the event this Lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences production for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the Leased Premises or lands pooled therewith within ninety (90) days after completion of production on such dry hole or within ninety (90) days after such cessation of all production.

(a) (b) If at the expiration of the primary term, or at any time thereafter, this Lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this Lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than ninety (90) consecutive days, and if any such operations results in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the Leased Premises or lands pooled therewith. For the purposes of this Lease, the term "operations" means operations for any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in the endeavor to obtain production of oil or gas.

9. Pooling. Lessee shall have the right but not the obligation to pool all of the Leased Premises or interests therein with any other lands or interests, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the Leased Premises, whether or not similar pooling authority exists with respect to such other lands or interests; provided, however, that the entire Leased Premises covered by this Lease, shall be included in any single unit created pursuant to the pooling authority granted herein.

The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed eighty (80) acres plus a maximum acreage tolerance of ten percent (10%) and for a gas well or a horizontal completion shall not exceed six hundred forty (640) acres plus a maximum acreage tolerance of ten percent (10%). For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment and "horizontal completion" means a

well in which the horizontal component of the gross interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, within ninety (90) days of first production, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling which may be retroactive to first production. In the event Lessor's acreage is included in a unit, all of Lessor's acreage shall be included. Production, drilling or reworking operations anywhere on a unit which includes the Leased Premises shall be treated as if it were production, drilling or reworking operations on the Leased Premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net mineral acres covered by this Lease and included in the unit bears to the total number of net mineral acres included in the unit.

Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, but in no event shall it exceed the number of acres permitted above.. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. If this Lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this Lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as provided above. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. This Lease is not intended to be a community lease, and pooling hereunder shall not constitute a cross-conveyance of interests.

10. Assignment. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns; provided, however, if Lessee is to assign any part of this Lease it shall give written notice and a copy of any assignment to the Lessor within sixty (60) days of assignment with the exception of assignments being made to Lessee, its officers, directors, and/or affiliates. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until thirty (30) days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the reasonable satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order.

11. Release and Vertical Pugh Clause. Lessee may, at any time and from time to time, deliver to Lessor a file of record written release of this Lease as to a full or undivided interest in all of the area covered by this Lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. In any event, upon termination of this Lease, Lessee its successors or assigns shall deliver to Lessor a recorded release within sixty (60) days as to such portion or portions of this Lease which have terminated under the terms of this Lease. Upon the expiration of the primary term of this Lease, upon the expiration of any extension or renewal of the primary term, or after cessation of production as provided herein, whichever occurs last, this Lease shall terminate as to all rights lying below one hundred feet (100') below either (a) the deepest depth drilled in any well drilled on the Leased Premises or on lands pooled therewith or (b) the stratigraphic equivalent of the base of the Barnett Shale formation producing or capable of producing in any well drilled on the Leased Premises or on lands pooled therewith, whichever is the deepest; provided, however, if Lessee is then engaged in production on the Leased Premises or on lands pooled therewith, this Lease shall remain in full force and effect as to all depths so long as no more than ninety (90) days elapse between production.

12. No Surface Use. Notwithstanding anything to the contrary in this Lease, Lessee shall not enter upon the surface of, cross over, place any structure or building upon or conduct any operations (including but not limited to geophysical/seismic operations) on the Leased Premises or within six hundred feet (600') of the Leased Premises or any other residential structure located within the same subdivision or neighborhood addition as the Leased Premises. Lessee shall only develop the Leased Premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands. Notwithstanding anything to the contrary in the Lease, Lessee has no right to drill horizontally, vertically, or at an angle under the Leased Premises at any depth that is less than three hundred (300) feet below the surface. Lessee has no right to pipe, transmit, or transport gas under the Leased Premises at any depth that is less than three hundred (300) feet below the surface. Lessee shall make all reasonable efforts not to use residential or neighborhood streets or thoroughfares in developing the Leased Premises, any lands pooled therewith or otherwise.

13. Noise. Noise levels associated with Lessee's operations related to the drilling, completion and reworking of wells shall strictly comply with the City of Arlington Drilling Ordinance.

14. Regulatory Requirements and Force Majeure. Lessee's obligations under this Lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction, including environmental regulations, setback requirements, restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby. To the extent any such laws, rules, regulations or orders are less restrictive than the terms of this Lease, this Lease shall control. The breach of this paragraph will be considered a material breach of the Lease. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchases or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate because of such prevention or delay. Lessee shall not be liable for breach of any express or implied covenants of this Lease when drilling, production or other operations are so prevented, delayed or interrupted. Lessee shall take all reasonable actions to remove or end any cause of Force Majeure as soon as reasonably possible. In no event shall this Lease be perpetuated by an event of Force Majeure for a period of more than two (2) consecutive years or three (3) years of cumulative time. No obligation of Lessee to pay money that has accrued and was due before the Force Majeure event occurred under this Lease will be excused or delayed by reason of such Force Majeure event. Lessee will notify in writing Lessor, at the address identified in Section 1, unless notice of another address has been provided in writing, when Force Majeure goes into effect.

All such notices shall be made by registered or certified mail, return receipt requested, unless another means of delivery is expressly stated.

15. Environmental Compliance. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, Said Lands or lands pooled therewith, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on Said Lands or lands pooled therewith any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.) or toxic substances under any federal, state or local law or regulation ("Hazardous Material"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY AND HOLD HARMLESS LESSOR, ITS AGENTS, EMPLOYEES, TENANTS, GUESTS, INVITEES AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGEMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (1) A VIOLATION OF THE FOREGOING PROHIBITION OR (2) THE PRESENCE, RELEASE OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER OR ABOUT SAID LANDS OR LANDS POOLED THEREWITH BY LESSEE. LESSEE SHALL CLEAN UP, REMOVE, REMEDY, AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT SAID LANDS OR LANDS POOLED THEREWITH CAUSED BY LESSEE IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE LESSOR WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT SAID LANDS OR LANDS POOLED THEREWITH. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION FOR ANY REASON, OF THIS LEASE.

16. Indemnity. LESSEE AGREES TO INDEMNIFY AND HOLD HARMLESS LESSOR, AND LESSOR'S REPRESENTATIVES, SUCCESSORS, AND ASSIGNS AGAINST ALL EXPENSES, CLAIMS, DEMANDS, LIABILITIES, AND CAUSES OF ACTION OF ANY NATURE FOR INJURY TO OR DEATH OF PERSONS AND LOSS OR DAMAGE TO PROPERTY, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY'S FEES, EXPERT FEES, AND COURT COSTS, CAUSED BY LESSEE'S OPERATIONS ON SAID LAND OR LANDS POOLED THEREWITH OR LESSEE'S MARKETING OF PRODUCTION FROM THE LAND OR ANY VIOLATION OF ANY ENVIRONMENTAL REQUIREMENTS BY LESSEE. AS USED IN THIS PARAGRAPH, THE TERM "LESSEE" INCLUDES LESSEE, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS, AND ANY OTHER PERSON ACTING UNDER ITS DIRECTION AND CONTROL, AND ITS INDEPENDENT CONTRACTORS.

17. Notices. All notices required or contemplated by this Lease shall be directed to the party being notified at the address identified in Section 1, unless notice of another address has been provided in writing. All such notices shall be made by registered or certified mail, return receipt requested, unless another means of delivery is expressly stated.

18. No Warranty of Title. Lessor makes no warranty of any kind with respect to title to the surface or mineral estate in the Leased Premises or any portion of or interest therein. All warranties that might arise by common law or by statute, including but not limited to Section 5.023 of the Texas Property Code (or its successor), are excluded. By acceptance of this Lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the Leased Premises. Lessee assumes all risk of title failures.

19. Curing Defaults. Should Lessee at any time fail to comply with its obligations hereunder regarding construction, maintenance, or repair, Lessor shall have the right, after giving thirty (30) days prior written notice to Lessee, to do or have done whatever is necessary to fulfill the obligations to its satisfaction, and Lessee shall be liable to Lessor for the reasonable and necessary expenses thus incurred by Lessor, to be paid within thirty (30) days after Lessor shall have furnished Lessee an itemized written statement of the expenses.

20. Venue and Legal Fees. Venue for any dispute arising under this Lease shall lie in Tarrant County, Texas, where all obligations under this Lease are performable. At any time that any obligation of the Lessee to make a payment shall not be complied with in accordance with the terms of the Lease, it is agreed and understood that Lessee will pay to Lessor interest thereon at the highest lawful rate allowed to be charged to Lessee by Lessor under the then existing Statutes of the State of Texas. In addition, in the event either party is required to obtain legal representation to enforce any provision of this Lease or defend any allegation of breach thereof, the prevailing party will be entitled to recover from the non-prevailing party all costs and expenses reasonably incurred, including reasonable attorney's fees and court costs. It is agreed and understood that time is of the essence in the performing of each responsibility under the terms of this Lease.

21. Records. Lessee shall keep complete and accurate records of all its operations relating to or affecting the Leased Premises, and the results thereof, including but not limited to: all geophysical, geological, geochemical and paleontological data and interpretations or analyses thereof; all land surveys, title opinions and title curative material; all drilling, coring, logging, testing and completion records; all production records showing the total gross production, the quantities saved, sold and used, the disposition thereof, and the sales prices or values thereof; all production sales contracts; and such other records and as may be proper for the settlement of accounts between Lessor and Lessee or to determine the respective rights and obligations of Said Parties hereunder. Lessor, at its sole expense, shall have the right to audit, exercisable not more than once during any 12-month period, the accounts and records of Lessee, its successors and assigns, relating to the Leased Premises and to its operations under this Lease, however, such audit rights shall not extend to any periods which are twenty-four months (24) prior to the date of such audit notice. Such

right shall be exercised by Lessor by giving Lessee not less than thirty (30) business days prior notice and such audit shall be conducted only during normal business hours.

22. Division Orders. It is agreed that neither the Lease nor any of its terms or provisions shall be altered, amended, extended, or ratified by any division order or transfer order executed by Lessor, Lessor's successors, agents, or assigns. If Lessee shall require the execution of a division order for payment of royalty payable under the Lease, then the only form of division order permitted for Lessee's use shall be such form promulgated by the State of Texas and set forth in Section 91.402(d) of the Texas Natural Resources Code as amended from time to time. Any amendment, alteration, extension or ratification of this Lease, or of any term or provision of this Lease, shall be made only by an instrument clearly denominating its purpose and effect, describing the specific terms or provisions affected and the proposed change or modification hereof, and executed by the party against whom any such amendment, alteration, extension or ratification is sought to be enforced. Any purported amendment, alteration, extension or ratification not so drafted shall be of no force or effect.

23. Subordination Agreement Fees. Notwithstanding anything contained herein to the contrary, neither Lessee nor Lessee's assigns shall ever require a subordination, partial release of lien, release of lien, consent or other documentation from any lender or Lessor that has a lien on Said Land as a condition to Lessor receiving the agreed signing bonus or any subsequent royalty payment. However, Lessor will cooperate with any reasonable effort of Lessee to obtain same from Lessor's lender on behalf of Lessor. Any expense incurred to obtain a subordination agreement will be paid by the Lessee. Lessee is hereby permitted, at its option, to discharge any tax, mortgage, or other lien or interest and other charges on the leased premises, and in the event Lessee does so, Lessee will have the option of applying the royalties accruing to Lessor toward payment of same and Lessee shall be subrogated to the rights of the holder thereof.

24. Miscellaneous. This Lease is entered into in the State of Texas and shall be construed, interpreted and enforced in accordance with the laws of the State of Texas without reference to choice-of-law rules. Should any of the provisions herein be determined to be invalid by a court of competent jurisdiction, it is agreed that this shall not affect the enforceability of any other provision herein and that the parties shall attempt in good faith to renegotiate that provision so determined to be invalid to effectuate the purpose of and to conform to the law regarding such provision. The section titles appearing in this Lease are for convenience only and shall not by themselves determine the construction of this Lease. This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Singular and plural terms, as well as terms stated in the masculine feminine or neuter gender, shall be read to include the other(s) as the context requires to effectuate the full purposes of this Lease.

25. Insurance. Lessee, at its own expense, shall maintain a general liability insurance policy (covering bodily injury, property damage, and covering its Indemnity obligations under paragraphs 12 and 16 of the lease) in an amount of at least three million (\$3,000,000.00) dollars combined single limit. Lessee shall also, at its own expense, carry workers compensation insurance as required by law.

26. Release and Discharge. Lessor acknowledges that the terms of the Lease, the amount of the royalty and bonus paid hereunder, and all other terms negotiated with Lessee (herein the "Negotiated Terms") with respect to this Lease, were obtained as a result of negotiations between Lessee and the group known as the South East Arlington Communities of Texas aka "SEACTX", which consists of a committee of unpaid volunteers who are representatives of the following subdivisions, Colson Estates, Hunters Trail, Eden Creek HOA, Eden Creek/Emma Court, Brookmeadows, Brownlee, Ridgecrest, and other subdivisions. In consideration of the efforts spent by the South East Arlington Communities of Texas, the Committee Members, and other volunteers in negotiating and obtaining the Negotiated Terms on behalf of Lessor, Lessor, on behalf of themselves and each of their respective agents, spouses, co-owners, predecessors, parents, subsidiaries, affiliated corporations, or other affiliated entities, successors, partners, principals, assigns, attorneys, servants, agents, employees, heirs, consultants and other representatives, does hereby release and forever discharge the South East Arlington Communities of Texas, the Committee Members, volunteers, and the homeowners associations of any of the neighborhoods represented in the South East Arlington Communities of Texas from any and all claims, demands, obligations, losses, causes of action, costs, expenses, attorney's fees, and liabilities of any nature whatsoever, whether based on contract, tort, statutory or other legal or equitable theory of recovery, whether known or unknown, past, present, or future, which Lessor has, has had, or claims to have against the individual Committee Members, volunteers, the South East Arlington Community of Texas, and the homeowners associations of any of the neighborhoods represented in the South East Arlington Community of Texas which relate to, arise from, or are in any manner connected to (i) the Negotiated Terms, (ii) the negotiation of the Negotiated Terms, (iii), the inclusion and/or omission of any terms within the Negotiated Terms, (iv) any activity, act or omission in any way related to the Negotiated Terms or the negotiation of the Negotiated Terms or (v) any and all representations made prior, during, and subsequent to Lessor's execution of this Lease and Amendment.

27. Lessor Acknowledgement. The South East Arlington Communities of Texas is a group of Arlington residents consisting of homeowners in Colson Estates, Hunters Trail, Eden Creek HOA, Eden Creek/Emma Court, Brookmeadows, Brownlee, Ridgecrest, and other subdivisions. The group's purpose is to unite in the hopes of negotiating the best terms possible with respect to an oil and gas lease with Lessee. By signing this Lease, Lessor acknowledges and stipulates that Lessor was not obligated to sign this Lease based upon the terms negotiated by the South East Arlington Communities of Texas with Lessee and that Lessor had the right to negotiate its own terms and with any company prior to signing this Lease. Additionally, Lessor acknowledges that it is Lessor's obligation to investigate this Lease, all negotiated terms, to take such action as necessary to make an informed decision prior to signing this Lease, and that the decision made by Lessor in signing this lease is made after fully researching this matter independent of any other information provided by the South East Arlington Communities or its Committee Members. It is ultimately the responsibility of Lessor to (a) determine if Lessor wants to negotiate with Lessee, (b) fully investigate the issues and facts related to signing an oil and gas lease, and (c) determine what terms are acceptable to Lessor to be included in this Lease.

The rights of Lessor under this Lease shall be in addition to, and not in lieu of, all rights Lessor may have as to payment of royalty under Texas law, including, without limitation, V.T.C.A. Natural Resources Code 91.401 through 91.405.

A MEMORANDUM OF LEASE and not the actual Lease instrument with its addendum, if any, shall be filed of record in Tarrant County, Texas, in order to give constructive notice of Lessee's leasehold interest in the property.

SEACTX

IN WITNESS WHEREOF, this Lease is executed to be effective as of the date first written above, but upon execution shall be binding on each signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this Lease has been executed by all parties hereinabove named as Lessor.

LESSORS:

By: Arthur James Lyke  
Arthur James Lyke

By: Karen Ann Lyke  
Karen Ann Lyke

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 19<sup>th</sup> day of JUNE, 2008, by Arthur James Lyke and wife, Karen Ann Lyke

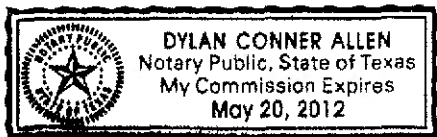
Dylan Conner Allen

Notary Public, State of Texas

Notary's Name Printed: Dylan Conner Allen

Notary's Commission Expires: MAY 20, 2012

SEAL:



AFTER RECORDING RETURN TO:  
PERMIAN LAND COMPANY  
P.O. BOX 1226  
FORT WORTH, TEXAS 76101

## **EXHIBIT A**

**Being lot 20, Block E of Collins Terrace, Phase 1, an Addition to the City of  
Arlington, Tarrant County, Texas, according to the Plat thereof recorded in Cabinet A,  
Slide 6912, Plat Records, Tarrant County, Texas.**

PLEASE RECORDING RETURN TO:  
PERMIAN LAND COMPANY  
P.O. BOX 1226  
FORT WORTH, TEXAS 76101



PERMIAN LAND COMPANY  
P O BOX 1226

FT WORTH TX 76101

Submitter: PERMIAN LAND COMPANY

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 07/10/2008 03:03 PM  
Instrument #: D208269076  
LSE 8 PGS \$40.00

By: \_\_\_\_\_



**D208269076**

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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